

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
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SENATOR BEUTLER: Senator Crosby and members of the Legislature, this bill (sic) relates to Section 7 of the bill on page 5, if you're interested in following. That particular section describes the fund. It says that the fund may be administered by neutral...a neutral third-party administrator. I assume that that means, and, Senator Kristensen, this is an amendment that is designed to try to flush out what the intent is, and a lot of the language of this bill is kind of soft instead of saying things directly, and I just wanted to be sure that we're all on the same page in terms of intent, but this says that the fund may be administrated by a neutral third-party administrator. I assume that means that the commission could either do this in-house, or they could...or they could have a third party administrator. It never really says anywhere that the commission shall select the administrator in the event they choose to do so, nor does it say that that administrator would serve at the will of the...at the will of the commission, even though that may be implied, again, and so, Senator Kristensen, I would ask you if my amendment has correct...has correct...correctly encapsulated the intent, and if it has, it may or may not be necessary, I'd be...I'd be interested in your opinion on that. But if there is an administrator, will it be the commission appointing the administrator, and if they do appoint an administrator, does he or she serve at the will of the commission?

SENATOR CROSBY: Senator Kristensen.

SENATOR KRISTENSEN: Thank you, Madam President, members of the Legislature. Senator Beutler, I'll tell you what I know and tell you the policy behind this section. First of all, because of the nature of the Universal Service Fund, I did not direct, or the committee did not direct that they had to do an administrator. Now you saw the Kansas statutes, let me grab that, I think they...they mandated that there shall be an administrator. Some states have found that that was...and they were doing these funds before Congress ever acted, but if the commission did not want to spend the money, and if the fund was such that they could do it in-house, we wanted to make sure that they could do it in-house. If you remember the federal act allows them to arbitrate the interconnection agreements, or they can go out and get an arbitrator to do those things. It's based